

Economic Development

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MISSION

The Department of Economic Development provides the leadership, strategic advice, and project management needed to implement the Board of Supervisors' adopted economic development vision of *an innovative, globally competitive economy known for its favorable business environment, exceptional quality of place and strong sense of community*.

The department, with its community and regional partners, implements the vision through strategies and actions that are guided by the five goals of the Economic Development Strategic Plan that the Board adopted in 2004:

1. *Recognized Center for Innovation:* An excellent location that attracts high value workforce driving innovative commerce and business activity at the forefront of progress.
2. *Prosperous Business Environment:* Facilities, systems and infrastructure in place to foster expansion, evolution and development of the existing, diverse business base.
3. *High Quality of Place:* Educational, cultural, recreational, health, safety and welfare amenities that ensure an exceptional quality of life and preserve Loudoun's heritage.
4. *Sound Fiscal Health:* Sustained revenues to maintain and improve critical services.
5. *Favored Visitor Destination:* Regional, national and global hub for travel and tourism.

DESCRIPTION

In implementing the Economic Development Strategic Plan, the Department of Economic Development's primary focus is business and community development. To address the varied aspects of business development, the department provides services to its customers in five areas:

1. Grow and retain business customers by marketing and outreach to existing and prospective businesses with ombudsman, site selection and business expansion services;
2. Enhance Loudoun's three distinct geographies – suburban communities, towns and rural areas-- as attractive places for employees, businesses, visitors and residents;
3. Improve the business environment which includes working to ensure that government processes are fair and competitive, land and infrastructure is sufficient, and amenities are high quality;
4. Provide high quality information and advice by performing market research, analyzing economic/demographic data, and providing strategic information or advice for businesses, prospects, citizens, county government agencies and media; and
5. Build valuable relationships and partnerships between government, business, and education communities.

Guided by the County's economic development vision and economic development strategy, the department supports five public-private partnerships. The Economic Development Commission and the Rural Economic Development Council are both appointed to advise the Board of Supervisors. The Main Street Loudoun Partnership promotes economic development in Loudoun's towns, villages and communities as centers for civic, business and visitor activity. To complement Loudoun's great natural beauty, and to reinforce its sense of place, identity, and community, the Design Cabinet encourages the highest quality physical design including urban design, architectural design, landscape design, and ecological design. As key business leaders, members of the CEO Cabinet are committed to working in partnership to make Loudoun one of the top twenty places in America in which to live, work, and grow a business.

BUDGET OVERVIEW

FY 07 Issues, Challenges & Trends:

- Two major regional issues, relief of transportation congestion and sufficient workforce housing, need an effective strategy and the civic/business leadership to address them before they impact the region's economic future.
- Changes suggested by the Zoning Ordinance Review Committee for commercial development need to be considered by the Board of Supervisors.
- The lack of available and marketable land and built space for office and industrial businesses seeking to expand or locate in Loudoun needs to be addressed. This is critical to overall business retention and attraction in Loudoun County, given current pressures to convert commercial and industrial zoned land to residential development.
- Sufficient resources need to be available to proactively develop key industry clusters in Loudoun such as life-sciences, international business, and homeland security.
- The commercial and industrial portion of the overall tax base is trending downward. It currently accounts for approximately 14% of the overall tax base. This trend pushes the tax burden to homeowners.
- The Base Realignment and Closure (BRAC) activities may impact the County as Federal agencies and government contractors explore the possibility of relocating offices from the District of Columbia and closer-in suburbs.

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FY 07 Major Goals:

- Market the County to select businesses and organizations in the life-sciences cluster to leverage the opening of the Howard Hughes Medical Institute's Janelia Farm Research Campus. This will position Loudoun as a prime life-sciences business location.
- Position Loudoun regionally and nationally using the Project WOW marketing materials and new department web site, along with proactive advertising and media relations efforts.
- Target key industries: aerospace, airport-related, high-value agriculture, information technology, life-science/biotechnology, and defense.
- Support the economic development of major business corridors such as Routes 7, 28, 50, 606, and the Dulles Greenway.
- Begin implementation of the Board of Supervisors' direction concerning the recommendations made by the Urban Land Institute panel regarding County-owned property in Ashburn.
- Pursue life-science conferences as an economic development strategy by bringing decision makers to Loudoun. The World Medical Automation conference will be held in Loudoun in the fall of 2006, and a second conference, focused on imaging, will be explored.
- Outreach to Loudoun's suburban communities through the Main Street Loudoun program to foster commercial economic growth and enhance community vitality.
- Encourage rural business expansion based on improved performance standards and amended regulations.
- Expand outreach to site selection representatives and brokers.
- Continue efforts to make the land development process easier and more predictable.
- Continue to implement the Economic Development Strategic Plan.

FY 06 Major Achievements:

- The Main Street Loudoun program was expanded to provide services to eastern Loudoun commercial areas, such as Sterling and Old Ashburn. This expansion will continue throughout FY 07.
- The Urban Land Institute panel study on the 101 acre, County-owned property in Ashburn was completed. The search for a master developer of the site will begin in spring 2006.
- Loudoun collaborated with neighboring jurisdictions for the first time to market the region (Loudoun, Fairfax and Prince William Counties) to targeted biotech audiences. The three jurisdictions worked the Mid-Atlantic Bio conference in October 2005, marketing the region as the "Northern Virginia Life Science Communities."
- The International Business Ambassador program was expanded to include CEO networking events, press coverage in German-language publications, initial business contacts, and new a relationship with the Frankfurt region.
- A CEO Cabinet, a public-private partnership comprised of a select group of CEOs, Presidents, Board Chairs/Vice-Chairs from Loudoun's top corporate and entrepreneurial firms and non-profit/government institutions was established.
- Loudoun collaborated with five regional counties to hold the second Rural Innovation Forum in March 2006.
- Phase I of Project WOW, branding Loudoun with a new logo, marketing package, and department web site was completed.
- The County implemented the Board initiated Modified Process Land Development Process for targeted industries and projects. Approved projects benefit from the Modified Process by improved plan review timelines and direct communication with key decision makers, who set and manage realistic expectations.
- Businesses affected by the Route 28/Church Road interchange were assisted. Economic Development held meetings, conducted outreach, facilitated renaming of roads and naming of business park to help citizens and consumers locate businesses in that area.
- Economic Development worked with county agencies and citizens to provide support in attaining water and sewer to unserved areas (Tall Oaks and Dulles Industrial Park).
- Six Farmers Markets, including a new one that opened in South Riding, were supported.
- The Design Cabinet conducted Design Charrettes for Lovettsville and Lucketts, and provided advice on Route 50 design improvements.

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Departmental Financial Summary	FY 03 Actual	FY 04 Actual	FY 05 Actual	FY 06 Adopted	FY 07 Adopted
Expenditures					
Personnel	\$1,144,160	\$1,332,082	\$1,300,420	\$1,437,000	\$1,479,000
Operations & Maintenance	452,606	582,714	518,429	403,000	414,000
Capital	7,692	2,680	0	0	0
Total Expenditures:	\$1,604,458	\$1,917,476	\$1,818,849	\$1,840,000	\$1,893,000
Departmental Revenue					
Local Fees, Charges, Etc.	\$2,397	\$2,174	\$10,370	\$5,000	\$23,000
Federal	0	24,498	45,414	0	0
Transfer from TOT fund	49,588	49,976	61,597	0	0
Total Revenue:	\$51,985	\$76,648	\$117,381	\$5,000	\$23,000
Local Tax Funding:	\$1,552,473	\$1,840,828	\$1,701,468	\$1,835,000	\$1,870,000
FTE Summary:	18.00	17.00	16.00	16.77	16.77

Subsequent to the FY 07 budget adoption, \$72,000 of TOT funding was added for the Agri-tourism Marketing program.

FY 07 Board Action: The FY 07 Adopted Fiscal Plan for Economic Development includes funding for business outreach in association with the opening of the Howard Hughes Medical Institute. The FY 07 budget also includes funding for the implementation of compensation increases and increased benefits costs effective September 2006.

Budget History:

FY 03: The FY 03 Adopted Fiscal Plan included a 1.00 FTE enhancement for the Main Street Loudoun Program, but the Board of Supervisors did not include any additional funding. The department identified funding for the position in its operations and maintenance base budget for FY 03.

FY 03 Mid-Year: A 1.00 FTE rural economy program manager position was eliminated.

FY 04 Mid-Year: A 1.00 FTE assistant director position was eliminated and a 1.00 FTE demographic position was transferred from Planning Services.

FY 05: The Board of Supervisors eliminated a regional economist position (1.00 FTE).

FY 06: The Board of Supervisors added 0.77 FTE for an agricultural enterprise manager.

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Planned Accomplishments/Objectives for FY 07

Goal: Develop facilities, systems and infrastructure to foster expansion, evolution and development of the existing, diverse business base.

Objective: Build relationships and partnerships between government, business and education communities and provide business expansion services.

<i>Performance Measures</i>	Actual FY 03	Actual FY 04	Actual FY 05	Est. FY 06	Proj. FY 07
Total number of visits to existing businesses for industry outreach ¹ (including special events)	30	149	191	150	180
Number of meetings for all partnerships (EDC, REDC, MSL, Science and DC)	108	104	103	107	108
County Support (referrals and meetings with Planning staff/commission, BOS, ZORC, Corridor Task Forces, Wayfinding, ULI, etc).	N/A	61	156	180	170
Ombudsman assistance (total number of projects assisted)	N/A	61	63	58	65

¹Industry outreach includes brokers, developers and targeted industries.

Goal: Market Loudoun's three distinct geographies (suburban communities, towns and rural areas) as excellent locations to attract high value workforce to drive innovative commerce and business activity at the forefront of progress.

Objective: Provide marketing and outreach to prospective businesses with market research, economic/demographic data, and strategic information or advice.

<i>Performance Measures</i>	Actual FY 03	Actual FY 04	Actual FY 05	Est. FY 06	Proj. FY 07
Marketing pieces distributed	80,000	78,000	75,000	75,000	70,000 ²
Number of international business and media contacts	N/A	N/A	12	150	100
Number of prospects	70	95	41	60	80
Design assistance (number of charrettes, advice sessions, awards)	2	3	3	3	2
Unique web visits (new user sessions)	63,164	83,297	110,392	130,392	145,000
Square feet of commercial and industrial permits	1,854,000	3,569,000	4,013,127	3,500,000	3,500,000

²This number is projected to decrease modestly as the department embraces a more web-based marketing approach.